

C/007/020 Incoming
cc: Amanda

HIDDEN SPLENDOR RESOURCES, INC.

#4634

AMERICAN PLAZA II
57 WEST 200 SOUTH, SUITE 400
SALT LAKE CITY, UTAH 84101
TELEPHONE (801) 521-3292
FAX (801) 521-3301

June 27, 2014

Sent via Email and Regular Mail

Mr. Daron Haddock
Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RECEIVED
JUN 30 2014
DIV. OF OIL, GAS & MINING

Re: Horizon Mine C\007\0020 Request for Permit Modification

Dear Mr. Haddock:

Attached you will find an Application for Permit Change in connection the above captioned permit number. This operator is requesting changes in connection with the permit regarding:

1. The required macroinvertebrate study;
2. The required water monitoring and testing.

Macroinvertebrate Study

Hidden Splendor is seeking modification to the permit which would eliminate the necessity to conduct the macroinvertebrate study until such time, if any, when mining operations recommence at the Horizon Mine. As you know, data from past studies has indicated that there has been little to no impact on macroinvertebrates in the Gordon Creek area in question during the time that Horizon Mine has been in operation. And as you know, mining operations at the Horizon Mine have not taken place since July of 2012 and there has been no mining related activity in the disturbed area at the mine for well over a year. There has been no discharge of water from the mine for well over a year as well.

A review of the map attached hereto as Exhibit "A" indicates that the required macroinvertebrate study calls for testing of water from the Gordon Creek at sample sites located upstream and downstream relative to the operations of the Horizon Mine. But as the attached map also indicates, those sampling sites are located on the opposite side of the road which runs through the area, a road known as the Consumers Road. In particular, the downstream sampling site (MV-2)

is located in an area well downstream from the discharge point at the Horizon Mine and downstream from discharge from other water sheds in the area.

There are at least 3 reasons to approve this requested modification:

1. No water is discharged from the Horizon Mine.

As noted above, no water has been discharged from the operations of the Horizon Mine for well over a year. And as past macroinvertebrate studies have demonstrated, even when water was being discharged from the mine, such discharge did not materially affect the macroinvertebrates in the tested area. While water does continue to flow through Jewkes Creek upstream from the mine as represented on Exhibit "A", as the Division knows, the flow from Jewkes Creek is diverted through a culvert under the disturbed area of the mine and never actually flows across the surface of the disturbed area. Thus, the flow from Jewkes Creek is completely isolated from the disturbed area.

Based on the above, there is no meaningful flow of water from the Horizon Mine area which would have any impact on the macroinvertebrates in the tested area of Gordon Creek.

2. Changes to the Consumers Road have resulted in significant changes in the circumstances in the surrounding area.

Please note that when the requirement regarding the macroinvertebrate study was designed and implemented that the condition of the Consumers Road was significantly different than it is now. In particular, the road has been paved and is subject to increased use for recreational and ranching purposes. Water flow off of the road certainly would be impacted more by those uses now than it would have had in the past. Indeed, such impact, whatever it may be, certainly would be more significant than the impact from water from the mine as currently there is no water flowing from the mine.

3. Flow from other water sheds now is more significant than flow from the mine.

As the map attached as Exhibit "A" indicates, the macroinvertebrate study requires sampling at a site located below discharge from other water sheds. As the Division likely knows, recreational usage in those water sheds located above the mine has increased and it is likely that any impact from those usages, if any, now would be more significant than any impact from the flow from the Horizon Mine, again, because there is no flow from the Horizon Mine.

Accordingly, while there is no discharge from the Horizon Mine, the utility of the macroinvertebrate study is lost. Accordingly, Hidden Splendor requests that the Division approve the requested change to the permit.

Water Monitoring and Testing

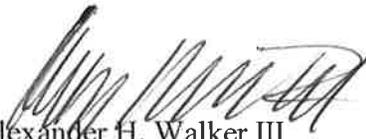
Much like the requirement for the macroinvertebrate study, the requirement regarding extensive water monitoring and testing no longer is useful and is a significant waste of resources which would otherwise be spent in the management of the disturbed area. Again, Hidden Splendor notes that because there are no operations at the mine, mining operations are not affecting water sheds in the area. Past testing has not indicated negative impacts from mining operations and since there now are no mining operations there is no reason to continue the testing in question in order to determine the effect of active mining operations.

The requested change to the permit indicates that if mining operations recommence, such testing also shall recommence. For this reason, Hidden Splendor requests that the Division approve the requested amendment in connection with the water monitoring and testing requirement.

Also, Hidden Splendor requests an extension of time for any current compliance with the macroinvertebrate study and the required water monitoring and testing while the Division considers these requested permit changes.

Please feel free to contact me if you have any questions or comments regarding these items or if you wish to discuss the matter in further detail. I appreciate your willingness to discuss and consider these requested changes.

Hidden Splendor Resources, Inc.



Alexander H. Walker III
Officer

AHWIII:hm
Enclosures

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: HIDDEN SPLENDOR RESOURCES, INC.

Mine: HORIZON MINE

Permit Number:

C\007\0020

Title: REPLACEMENT PAGES CHAPTER 7 & 10

Description, Include reason for application and timing required to implement:

Response to Mid-Term and Modification to Permit

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- Yes No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

ALEXANDER WALKER OFFICER

06/27/2014

Print Name

Position

Date

Signature (right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 27th day of June, 2014

Notary Public: Hilary Mills S.L. county, state of Utah.

My commission Expires: January 25, 2018

Commission Number: 671683

Address: _____

City: Salt Lake City

State: UT

Zip: 84101



Notary Public
HILARY MILLS
 Commission #671683
 My Commission Expires
 January 25, 2018
 State of Utah

For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

7.1.2.2 Mine Plan Area Aquifers

Depth to Water

At such time that the Horizon Mine becomes operational and/or resumes production, monitoring well depths as required by this Chapter will resume.

7.1.5 Groundwater Monitoring Plan

At such time that the Horizon Mine becomes operational and/or resumes production, groundwater monitoring as required by this Chapter will resume.

7.2.2.3 Surface Water Monitoring Plan

At such time that the Horizon Mine becomes operational and/or resumes production, surface water monitoring as required by this Chapter will resume.

10.2.3 Aquatic Studies

Field and lab methods used in the North Fork Gordon Creek and Beaver Creek aquatic studies were selected in describing the biotic and abiotic components of study area streams, discerning possible impacts of the proposed mining operation, and recommending future mitigation and monitoring programs. Biotic components specifically included sampling for macroinvertebrates and evaluating the fisheries potential. Abiotic components included field techniques for testing water quality, as well as descriptions of substrate and channel morphology. Studies were conducted in November 1980 and April and June 1981.

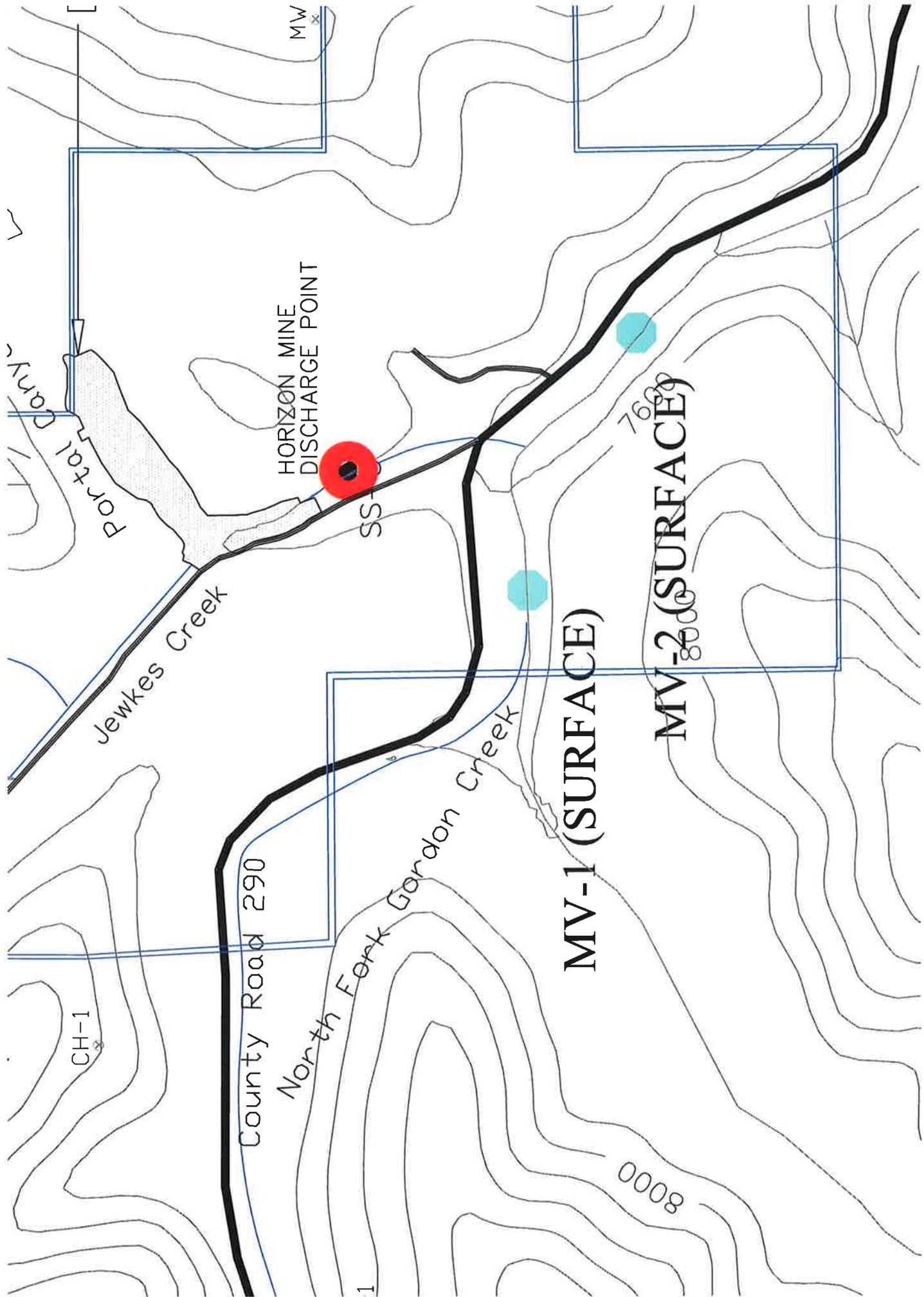
The overall quality of aquatic habitat in Jewkes Creek is limited due to erosion, siltation, limited cover, and low flow during most months, except during spring runoff. Jewkes Creek runs over an area disturbed by mining, grazing, and recreational use. In addition the county road (Consumer/Clear Creek) along most of Jewkes Creek provides a source for dust, debris, and silt. During 1995 the road was graded and widened constantly by a logging operation, timbering along the Consumer/Clear Creek road near Beaver Creek, causing a substantial increase of erosion and siltation in the both Jewkes and Beaver Creeks. Several springs contributing to Jewkes Creek run along the road, thus collecting more sediment than prior to the logging operation. The Consumer/Clear Creek road connecting Carbon County Road 290 to Utah State Highway 96 at Clear Creek has been used for recreation and the movement of livestock since the early 1900. The road receives use from snowmelt in the Spring to snowfall in the Winter.

Under the present conditions Jewkes Creek is limited in it's ability to support aquatic life. The presence of thick silt/clay layer on the creek substrates limit the development of a productive and diverse macroinvertebrate community, thus fish would not have a sufficient food source in Jewkes Creek.

A spring (late May/early June) and a fall (September/October) macroinvertebrate survey will be performed in the North Fork of Gordon Creek, by a qualified person, on standardized dates beginning in the spring of 2001. The surveys will be done every year for three years then every other year after that until final bond release. On each sampling date, samples will be taken from a site 0.2 of a mile above the confluence of the Jewkes Creek and the North fork of Gordon Creek, and a site 0.1 below the confluence of those streams. The Division will be notified prior to the surveys. No water has been discharged from the mine into Jewkes Creek since June of 2013 because the mine has been inoperative. Accordingly, as of June 2014 no macroinvertebrate study is required. If and/or when the mine discharges water into Jewkes Creek in the future, the required sampling and study will be recommence.

In conjunction with the discharge of in-mine water to the sediment pond in 1998 and 1999 a W.E.T. Chronic Toxicity Report was prepared. Tests were performed on fathead minnows and ceriofaphnia dubia to determine survival and reproduction in the water being discharged from the mine and the water in Jewkes Creek. The report and its findings are located in Appendix 7-2, Attachment A.

Although the riparian cover provided by Jewkes Creek is very important the quantity of cover is limited due to the variation in flow during the growing months. During 1996 the spring runoff was early and carried an increased amount of sediment to the North Fork of Gordon Creek. Unlike the present industrial disturbance (logging) to Jewkes Canyon, Horizon will install and maintain proper sediment control measures during facility construction and operation.



HORIZON MINE
DISCHARGE POINT

SS-1

MV-1 (SURFACE)

MV-2 (SURFACE)

Jewkes Creek

North Fork Gordon Creek

County Road 290

CH-1

Portal Park

MW

8000

7600